

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 702

Introduced by Assembly Member Salas

February 26, 2009

~~An act to add Chapter 11.7 (commencing with Section 50810) to Part 2 of Division 31 of the Health and Safety Code, relating to housing and community development. An act relating to housing and community development, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 702, as amended, Salas. ~~Veterans Housing and Assistance Program. Emergency Housing and Assistance Fund.~~

Under the Emergency Housing and Assistance Program, the Department of Housing and Community Development is authorized to make grants from the continuously appropriated Emergency Housing and Assistance Fund to local governments and nonprofit organizations to provide emergency or transitional housing, as specified.

This bill would appropriate, for the 2009–10 fiscal year, \$4,000,000 from the General Fund to the Emergency Housing and Assistance Fund, as specified, for operating facilities and capital development grants. The bill would prohibit grants funded pursuant to the appropriation to be used to supplant existing emergency shelter or transitional housing funding. The bill would impose various limitations on the award amounts of specified grants.

~~Under existing law, the Emergency Housing and Assistance Program, the Department of Housing and Community Development is authorized to make grants from the continuously appropriated Emergency Housing and Assistance Fund to local governments and nonprofit organizations~~

~~to provide emergency or temporary housing for the homeless, as specified.~~

~~This bill would establish the Veterans Housing and Assistance Program, under which the Department of Housing and Community Development would be authorized to make grants from the Veterans Housing and Assistance Fund, upon appropriation by the Legislature, to local governments and nonprofit organization to provide emergency or temporary housing for homeless veterans, as specified. The bill would authorize the department to adopt regulations, including emergency regulations, for the administration of the program.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) For the 2009–10 fiscal year, the sum of four
2 million dollars (\$4,000,000) is hereby appropriated from the
3 General Fund to the Emergency Housing and Assistance Fund
4 which shall be distributed pursuant to Chapter 11.5 (commencing
5 with Section 50800) of Part 2 of Division 31 of the Health and
6 Safety Code for operating facilities and capital development grants.
7 (b) Grants funded pursuant to this section shall not be used to
8 supplant existing emergency shelter or transitional housing
9 funding.
10 (c) Notwithstanding any regulatory provision to the contrary,
11 operating facilities grants shall not exceed one hundred thousand
12 dollars (\$100,000) nor be less than thirty thousand dollars
13 (\$30,000). For counties with an allocation of greater than thirty
14 thousand dollars (\$30,000), one grant of less than thirty thousand
15 dollars (\$30,000) may be awarded if necessary to fully utilize the
16 county's allocation. For counties with an allocation of up to or
17 equal to thirty thousand dollars (\$30,000), up to two grants of less
18 than thirty thousand dollars (\$30,000) may be awarded.
19 SECTION 1. Chapter 11.7 (commencing with Section 50810)
20 is added to Part 2 of Division 31 of the Health and Safety Code,
21 ~~to read:~~

1 ~~CHAPTER 11.7. VETERANS HOUSING AND ASSISTANCE PROGRAM~~

2
3 ~~50810. (a) It is the intent of the Legislature to encourage the~~
4 ~~provision of shelter, with effective personal rehabilitation and~~
5 ~~self-sufficiency development services, to homeless veterans at as~~
6 ~~low a cost and as quickly as possible, without compromising the~~
7 ~~health and safety of shelter occupants. It is also the intent of the~~
8 ~~Legislature to encourage the move of homeless veterans from~~
9 ~~shelters to a self-supporting environment as soon as possible, to~~
10 ~~encourage provision of services for as many veterans at risk of~~
11 ~~homelessness as possible, to encourage compatible and effective~~
12 ~~funding of homeless services, and to encourage coordination among~~
13 ~~public agencies that fund or provide services to homeless veterans.~~
14 ~~Because many communities currently provide shelter and limited~~
15 ~~services only during cold and wet weather to veterans who are~~
16 ~~unable or unwilling to comply with traditional housing programs~~
17 ~~and because year-round shelter will encourage these individuals~~
18 ~~to accept services and move toward permanent housing, it is also~~
19 ~~the intent of the Legislature to increase the availability of~~
20 ~~year-round shelter to meet the special needs of those veterans,~~
21 ~~including a Safe Haven that provides supportive housing for~~
22 ~~seriously mentally ill homeless veterans.~~

23 ~~(b) There is hereby created the Veterans Housing and Assistance~~
24 ~~Program.~~

25 ~~(c) To the extent possible, the Veterans Housing and Assistance~~
26 ~~Program shall not conflict with the federal Stewart B. McKinney~~
27 ~~Homeless Assistance Act, as approved on July 22, 1987, cited as~~
28 ~~Public Law 100-77, as it is, from time to time, amended, and~~
29 ~~regulations promulgated thereunder by the United States~~
30 ~~Department of Housing and Urban Development, or its successor.~~

31 ~~50810.1. (a) There is hereby created in the State Treasury the~~
32 ~~Veterans Housing and Assistance Fund. All moneys in the fund~~
33 ~~shall, upon appropriation by the Legislature, be used by the~~
34 ~~department to carry out the purposes of this chapter. Any~~
35 ~~repayments, interest, or new appropriations shall be deposited in~~
36 ~~the fund, notwithstanding Section 16305.7 of the Government~~
37 ~~Code. Money in the fund shall not be subject to transfer to any~~
38 ~~other fund pursuant to any provision of Part 2 (commencing with~~
39 ~~Section 16300) of Division 4 of Title 2 of the Government Code,~~
40 ~~except to the Surplus Money Investment Fund.~~

~~(b) The department may require the transfer of moneys in the Veterans Housing and Assistance Fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest, dividends, and pecuniary gains from these investments shall accrue to the Veterans Housing and Assistance Fund, notwithstanding Section 16305.7 of the Government Code.~~

~~50810.3. As used in this chapter:~~

~~(a) "Department" means the Department of Housing and Community Development.~~

~~(b) "Designated local board" means a group, including social service providers and a representative of local government, that has met department requirements for distribution of grants allocated by the department pursuant to this chapter.~~

~~(c) "Director" means the Director of Housing and Community Development.~~

~~(d) "Eligible organization" means an agency of local government or a nonprofit corporation that provides, or contracts with community organizations to provide, emergency shelter or transitional housing for veterans, or both.~~

~~(e) "Emergency shelter" means housing with minimal supportive services for homeless veterans that is limited to occupancy of six months or less by a homeless veteran. No individual or household may be denied emergency shelter because of an inability to pay.~~

~~(f) "Nonurban county" means any county with a population of less than 200,000, as published in the most recent edition of Population Estimates of California Cities and Counties, E-1, prepared by the Department of Finance, Population Research Unit.~~

~~(g) "Region" means a county or a consortium of counties voluntarily banding together by action of a designated local board.~~

~~(h) "Safe Haven" means supportive housing for seriously mentally ill homeless veterans, many of whom have cooccurring substance abuse problems, that have been unable or unwilling to participate in high-demand housing programs.~~

~~(i) "Transitional housing" means housing with supportive services for up to 24 months that is exclusively designated and targeted for recently homeless veterans. Transitional housing includes self-sufficiency development services, with the ultimate goal of moving recently homeless veterans to permanent housing~~

1 as quickly as possible, and limits rents and service fees to an
2 ability-to-pay formula reasonably consistent with the United States
3 Department of Housing and Urban Development's requirements
4 for subsidized housing for low-income persons. Rents and service
5 fees paid for transitional housing may be reserved, in whole or in
6 part, to assist residents in moving to permanent housing.

7 (j) "Urban county" means any county that is not a nonurban
8 county.

9 (k) "Veteran" shall have the same meaning as provided in
10 Section 980 of the Military and Veterans Code.

11 50810.5. (a) The department shall adopt regulations for the
12 administration of the Veterans Housing and Assistance Program.
13 The regulations shall govern the equitable distribution of funds in
14 accordance with the intent and provisions of this chapter, and shall
15 ensure that the program is administered in an effective and efficient
16 manner. The regulations shall provide for reasonable delegation
17 of authority to designated local boards, ensure that local priorities
18 and criteria are reasonably designed to address the needs of
19 homeless veterans, and ensure that designated local boards meet
20 reasonable standards of inclusiveness, accountability,
21 nondiscrimination, and integrity.

22 (b) The regulations adopted pursuant to this section shall ensure
23 that emergency shelter and services will be provided on a
24 first-come-first-served basis for whatever time periods are
25 established by the shelter. No individual or household may be
26 denied shelter or services because of an inability to pay. Nothing
27 in this provision shall be construed to preclude a shelter from
28 accepting payment vouchers provided through any other public or
29 private program so long as no shelter beds are reserved beyond
30 sundown for that purpose. Notwithstanding Section 11135 of the
31 Government Code or any other provision of law, nothing in this
32 section shall be construed to preclude a provider of emergency
33 shelter or transitional housing from restricting occupancy on the
34 basis of any of the following:

35 (1) Sex.

36 (2) In the case of an emergency shelter or transitional housing
37 offered exclusively to veterans 24 years of age or younger pursuant
38 to Section 11139.3 of the Government Code, on the basis of age.

39 However, in the case of families, providers of emergency shelter
40 or transitional housing shall provide, to the greatest extent feasible,

adequate facilities within their range of services so that all members of a family may be housed together, regardless of age and gender.

~~50810.7. (a) The department shall ensure that not less than 20 percent of the moneys in the Veterans Housing and Assistance Fund shall be allocated to nonurban counties during any given fiscal year. If the funds designated for facilities operation that are allocated to nonurban counties are not awarded by the end of that fiscal year, then those unencumbered funds shall be allocated in the next fiscal year to urban counties. Funds for capital development that are not awarded by the end of the second fiscal year shall be awarded in the subsequent fiscal year to urban counties.~~

~~(b) The amount of funds that the department allocates from the Veterans Housing and Assistance Fund to each region, excluding funds allocated pursuant to subdivision (a), shall be based upon a formula that accords at least 20 percent weight to each of the following factors:~~

~~(1) The relative number of persons in the region below the poverty line according to the most recent federal census, updated, if possible, with an estimate by the Department of Finance, compared to the total of the urban counties.~~

~~(2) The relative number of persons unemployed within each region, based on the most recent one-year period for which data is available, compared to the total of the urban counties.~~

~~(c) Grant funds shall be disbursed as expeditiously as possible by the department.~~

~~(d) The department shall use not more than 5 percent of the amount available for funds pursuant to this chapter to defray the department's administrative costs pursuant to this chapter.~~

~~(e) Notwithstanding any other provision of this chapter, the department shall distribute funds appropriated for purposes of the activities specified in paragraph (2) of subdivision (a) of Section 50810.13 as grants in the form of forgivable deferred loans, subject to all of the following:~~

~~(1) Funding shall be made available to each project as a loan with a term of five years for rehabilitation, seven years for substantial rehabilitation, or 10 years for acquisition and rehabilitation or new construction. Each deferred loan shall be secured by a deed of trust and promissory note. Repayment of the loan shall be deferred as long as the project is used as an emergency~~

1 shelter or transitional housing. At the completion of the specified
2 year term, the loan shall be forgiven. If a transfer or conveyance
3 of the project property, however, occurs prior to that time that
4 results in the property no longer being used as an emergency shelter
5 or transitional housing, the department shall terminate the grant
6 and require the repayment of the deferred loan in full.

7 (2) Applications for funding shall be made pursuant to
8 department-issued statewide "Notices of Funding Availability"
9 without the need for additional regulations.

10 (3) The department shall set forth the criteria for evaluating
11 applications in the "Notices of Funding Availability" and shall
12 make deferred loans based on those applications that best meet the
13 criteria.

14 (4) The department shall specify in the "Notice of Funding
15 Availability" both maximum and minimum grant amounts that
16 may be varied for urban and nonurban counties.

17 (5) Contracts for projects that have not begun construction
18 within the initial 12-month period shall be terminated and funds
19 reallocated. The department, however, may extend this period by
20 a period not to exceed 12 months.

21 50810.9. (a) A designated local board or a county shall be
22 eligible for its specified allotment by submitting to the department
23 a one-page application requesting the funding. The application
24 shall briefly state how the county's proposed use of the funds is
25 consistent with Section 50809.11 and shall designate the grant
26 recipient or recipients for the funds.

27 (b) The department shall disburse the specified allotments to
28 the grant recipient or recipients no later than 30 days after receipt
29 of the application, if the department determines that the application
30 is consistent with subdivision (a).

31 (c) The department shall allocate these additional Emergency
32 Housing and Assistance Program funds above the base year amount
33 consistent with Section 50810.7.

34 (d) The department's administrative costs shall not exceed the
35 amount provided for in subdivision (d) of Section 50810.7.

36 50810.11. (a) The department shall issue a notice or notices
37 of funding availability to potential applicants and designated local
38 boards, as applicable, as soon as possible after funding becomes
39 available for the Veterans Housing and Assistance Program. Each

1 notice of funding availability shall indicate the amounts and types
2 of funds available under this program.

3 (b) A designated local board, or the department in the absence
4 of a designated local board, shall solicit, receive, and select among
5 applications for grants pursuant to this chapter from eligible
6 organizations through an open, fair, and competitive process. These
7 applications shall be ranked and selected by a designated local
8 board, or by the department in the absence of a designated local
9 board.

10 (c) Notwithstanding subdivision (b), the department may restrict
11 a designated local board from selecting any application requesting
12 a grant for capital developments if the amount requested by the
13 application exceeds the limits determined by the department, and
14 the department determines that the designated local board is not
15 qualified to evaluate the application. The department shall establish
16 criteria for distinguishing between a designated local board that
17 may be so restricted and a designated local board that would not
18 be so restricted. A designated local board may appeal to the
19 director, or to the director's designee, any decision made by the
20 department pursuant to this subdivision. The department, by June
21 30, _____, shall consider increasing the maximum grant limits to
22 _____ dollars (\$_____) for operating grants and _____ dollars (\$_____)
23 for capital grants.

24 (d) The department, or the designated local board, as applicable,
25 shall not grant more than _____ dollars (\$_____) to any eligible
26 organization within a region in a funding round even if the eligible
27 organization has filed multiple applications.

28 (e) The department shall determine requirements of the grant
29 contract and shall contract directly with the grant recipient. The
30 department shall not delegate this function to the designated local
31 boards. Eligible designated local boards may use a percentage of
32 the regional award funds to defray administrative costs. The
33 department shall establish this percentage, which shall not exceed
34 2 percent.

35 (f) The designated local board shall regulate the performance
36 of any grant contract within their region, subject to department
37 oversight and requirements established by the department.

38 (g) The department shall not perform a secondary rating or
39 ranking review on those grant applications that have been solicited,

1 received, and selected by a designated local board according to a
2 local ranking criterion that has been approved by the department.

3 (h) In addition, the funding limitations contained in this section
4 shall not apply to the appropriation in that budget item.

5 50810.13. (a) Grants awarded by the department pursuant to
6 this chapter shall be used by a grant recipient to defray costs of
7 eligible activities defined in department regulations, including, but
8 not limited to, any of the following activities:

9 (1) Operating facilities, including, but not limited to, operations
10 staff salaries, maintenance, repair, utilities, equipment, and debt
11 reduction.

12 (2) Providing for capital development programs, such as
13 acquisition, leasing, construction, and rehabilitation of sites for
14 emergency shelter and transitional housing for homeless veterans.

15 (3) Administrative costs.

16 (4) Operating expenses relating to supervising and counseling
17 clients.

18 (5) Providing residential rental assistance.

19 (6) Leasing or renting rooms for provision of temporary shelter.

20 (b) Funds allocated to a nonurban county pursuant to subdivision
21 (a) of Section 50810.7 may be used to pay the cost of leasing or
22 renting individual units, hotel rooms, or motel rooms for use as
23 emergency shelters. No more than 15 percent of the funds allocated
24 to a region other than a nonurban county shall be expended for
25 this purpose.

26 (c) By regulation, the department shall establish a level, not to
27 exceed 5 percent of a grant award, which any eligible recipient
28 may use to defray administrative costs.

29 50810.15. Each designated local board shall provide a process
30 for appeal of its decisions and comply with the requirements of
31 this chapter and the regulations promulgated hereunder.

32 50810.17. (a) Each designated local board shall submit a local
33 emergency shelter strategy for its region to the department for
34 approval describing the procedures for complying with
35 requirements pursuant to this chapter and the regulations
36 promulgated thereunder. The department shall establish, by
37 regulation, the types of information that each designated local
38 board shall include in the strategy, including, but not limited to,
39 each of the following:

40 (1) A statement of goals and how goals will be achieved.

1 ~~(2) A statement of priorities and how the priorities complement~~
2 ~~the local continuum of care planning process.~~

3 ~~(3) A description of the application process and ranking criteria~~
4 ~~for the Veterans Housing and Assistance Program.~~

5 ~~(4) Copies of application forms for the Veterans Housing and~~
6 ~~Assistance Program that the designated local board will use to~~
7 ~~evaluate requests for grants.~~

8 ~~(5) A statement of how grant recipients shall be encouraged to~~
9 ~~develop year-round emergency shelters and transitional housing~~
10 ~~to meet the diverse needs of the homeless veterans population that~~
11 ~~include families, youth, and persons with physical and mental~~
12 ~~disabilities, people who are addicted to alcohol and drugs, people~~
13 ~~living with HIV/AIDS, the elderly, and pregnant women. Also, a~~
14 ~~description of how the local plan serves the needs of veterans and~~
15 ~~their families at risk of homelessness as a result of eviction.~~

16 ~~(b) The department shall establish a deadline, by which date the~~
17 ~~designated local board shall be required to submit a strategy for~~
18 ~~the department's review.~~

19 ~~(c) Upon the department's approval of a strategy, the designated~~
20 ~~local board shall make the strategy broadly available to shelter and~~
21 ~~service providers and to other interested persons in its region.~~

22 ~~50810.19. (a) Project budgets may be changed, within limits~~
23 ~~established by the department.~~

24 ~~(b) Funds allocated to a region shall remain available for funding~~
25 ~~applications within the region for a time period or dollar limit to~~
26 ~~be specified by department regulations. The department may~~
27 ~~designate a time period or dollar limit for the distribution of capital~~
28 ~~development funds that is different from the time period or dollar~~
29 ~~limit for the distribution of noncapital development funds. When~~
30 ~~the designated local board is unable to distribute funds during the~~
31 ~~time period designated by the department, the funds shall revert~~
32 ~~to the fund for distribution.~~

33 ~~50810.21. (a) The director shall establish a statewide advisory~~
34 ~~body on emergency and transitional housing. The department shall~~
35 ~~consult with the advisory body in the development of regulations~~
36 ~~and guidelines for certification of designated local boards,~~
37 ~~requirements for the local emergency shelter strategies, assessment~~
38 ~~of statewide needs of homeless veterans and providers of services~~
39 ~~to homeless veterans, coordination of services and funds of state~~
40 ~~agencies, and general guidance and direction related to this chapter.~~

1 The director shall establish, and the department shall begin
2 consulting with, the advisory body within 30 days of the operative
3 date of the act that adds this chapter.

4 (b) The advisory body established pursuant to this section shall
5 be appointed by, and serve at the pleasure of, the director and shall
6 represent a broad range of representatives of designated local
7 boards, emergency shelter providers, and transitional housing
8 providers from throughout the state. There shall be at least one
9 member who is a homeless or formerly homeless veteran; at least
10 one member who represents a statewide nonprofit advocacy
11 organization concerned with veterans; at least one member who
12 represents a statewide nonprofit advocacy organization concerned
13 with homelessness and low-cost affordable housing; one member
14 who represents a designated local board; one member who
15 represents a federal interagency council concerned with veterans'
16 issues; one member who represents a federal interagency council
17 concerned with homeless issues; one member representing state
18 services for homeless persons; one member representing state
19 services for veterans; one member who is a residential building
20 owner or manager; one member who is a commercial building
21 owner or manager; and one member of the public. The department
22 shall not use funds made available pursuant to this chapter to fund
23 the activities of the advisory body.

24 50810.23. The department may adopt emergency regulations
25 to implement this chapter, with respect to award of funds and the
26 administration of the program, to the extent necessary before the
27 department issues the first notice of funding availability pursuant
28 to Section 50810.11. The adoption of emergency regulations shall
29 be conclusively presumed to be necessary for the immediate
30 preservation of the public peace, health, safety, or general welfare
31 within the meaning, or purposes, of Section 11346.1 of the
32 Government Code. Any changes in regulations made by the
33 department pursuant to this section shall be identified in the notice
34 of funding availability published by the department pursuant to
35 Section 50810.11.